



## **FIFTIETH ANNUAL REPORT**

**FISCAL YEAR 2005-2006**

### **POOLED MONEY**

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### **INVESTMENT**

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### **BOARD**

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**PHIL ANGELIDES**  
State Treasurer and Chairman

# Preface

## *Pooled Money Investment Board*

The Pooled Money Investment Board, created by the Legislature in 1955, is comprised of the State Treasurer, as chairman; the State Controller and the Director of Finance. At the end of fiscal year 2005-06, the members were Phil Angelides, Treasurer; Steve Westly, Controller and Michael C. Genest, Director of Finance.

The purpose of the Board is to design and administer an effective cash management and investment program, using all monies flowing through the Treasurer's bank accounts and keeping all available funds invested consistent with the goals of safety, liquidity and yield.

The law restricts the Treasurer to investments in the following categories: U.S. government securities; securities of federally-sponsored agencies; domestic corporate bonds; interest-bearing time deposits in California banks, savings and loan associations, and credit unions; prime-rated commercial paper; repurchase and reverse repurchase agreements; security loans; banker's acceptances; negotiable certificates of deposit and loans to various bond funds. Subsequent sections of this report deal individually with the demand account and investment programs for which the Board has oversight responsibilities, and which the Treasurer directly administers.

During the 2005-06 fiscal year, program earnings totaled \$2.158 billion. Approximately \$639 million of this amount was credited to units of local government as a result of their deposits in our investment pool. This level of voluntary participation, which averaged \$16.644 billion, reflects the confidence they have in our investment management capabilities. The magnitude of these investment earnings provide a significant reduction in the tax burden that otherwise would have been imposed on the citizens of California.

# ***Pooled Money Investment Board***

## ***Fiftieth Annual Report***

### ***Fiscal Year 2005-2006***

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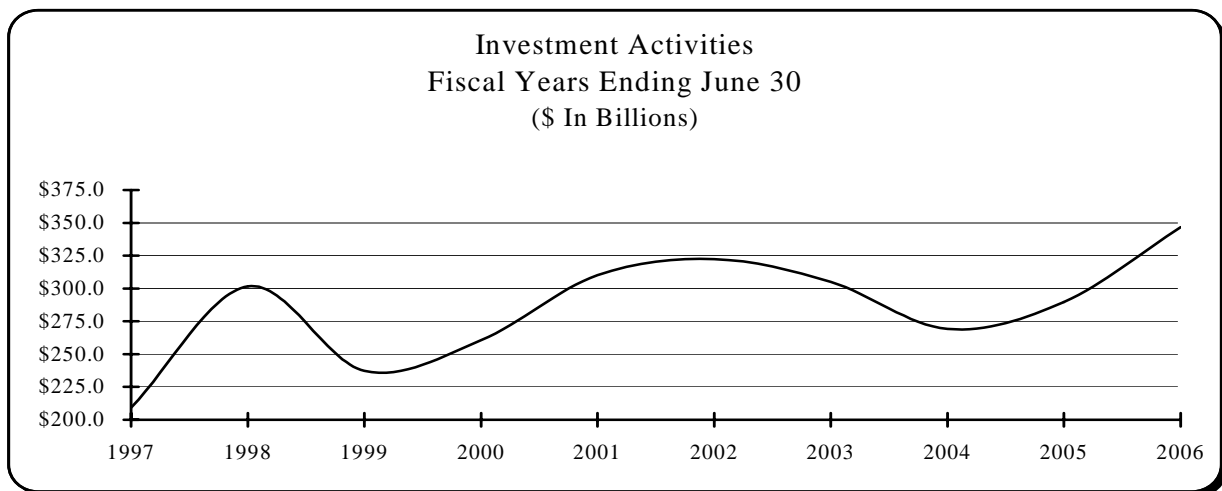
# Overview

## The Year in Review

Average Daily Portfolio .....	\$55,714,817,386
Earnings .....	\$2,157,844,710
Effective Yield .....	3.87%

## Investment Activity for the Fiscal Years Ending June 30 (\$ In Billions)

Fiscal Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Amount</b>	\$209.3	\$301.6	\$237.3	\$260.6	\$310.2	\$322.3	\$305.1	\$269.1	\$289.8	\$346.8
<b>Transactions</b>	5,120	7,108	5,804	6,447	7,889	8,025	7,524	6,630	6,961	8,242



Source: State Treasurer's Office, Investment Division

# 2005-06 Investment Market Conditions

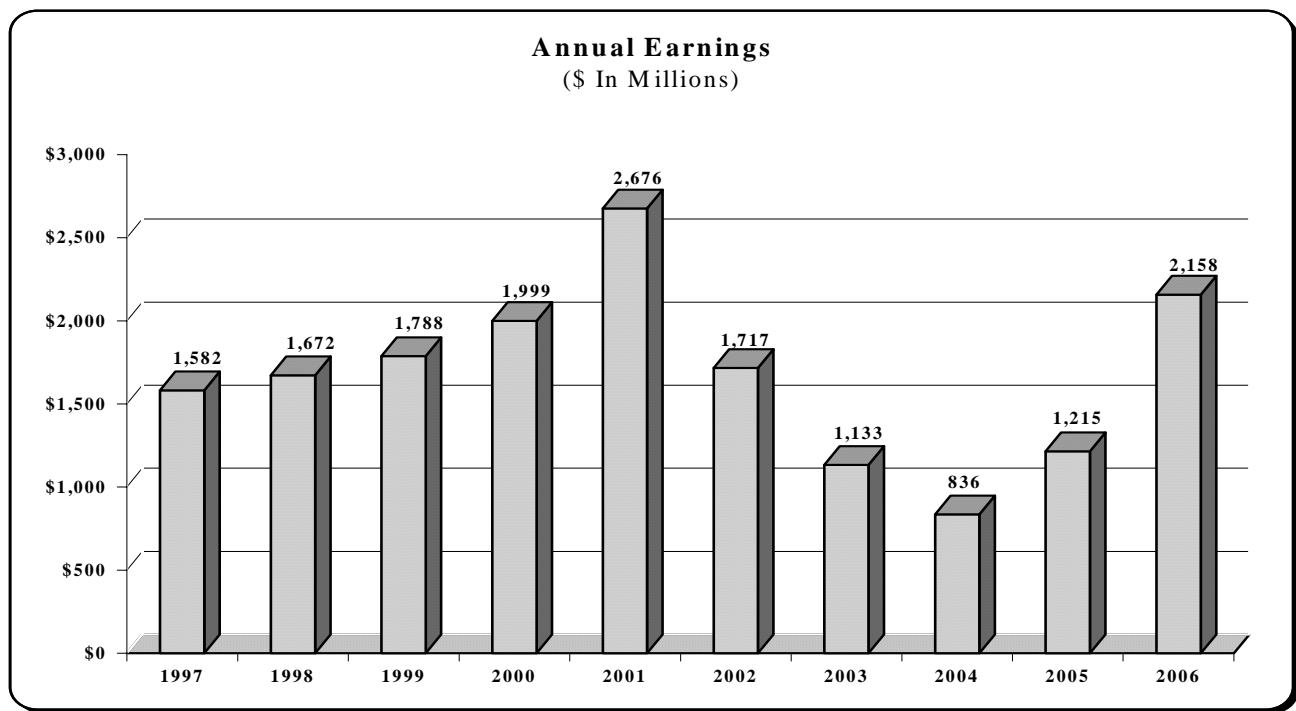
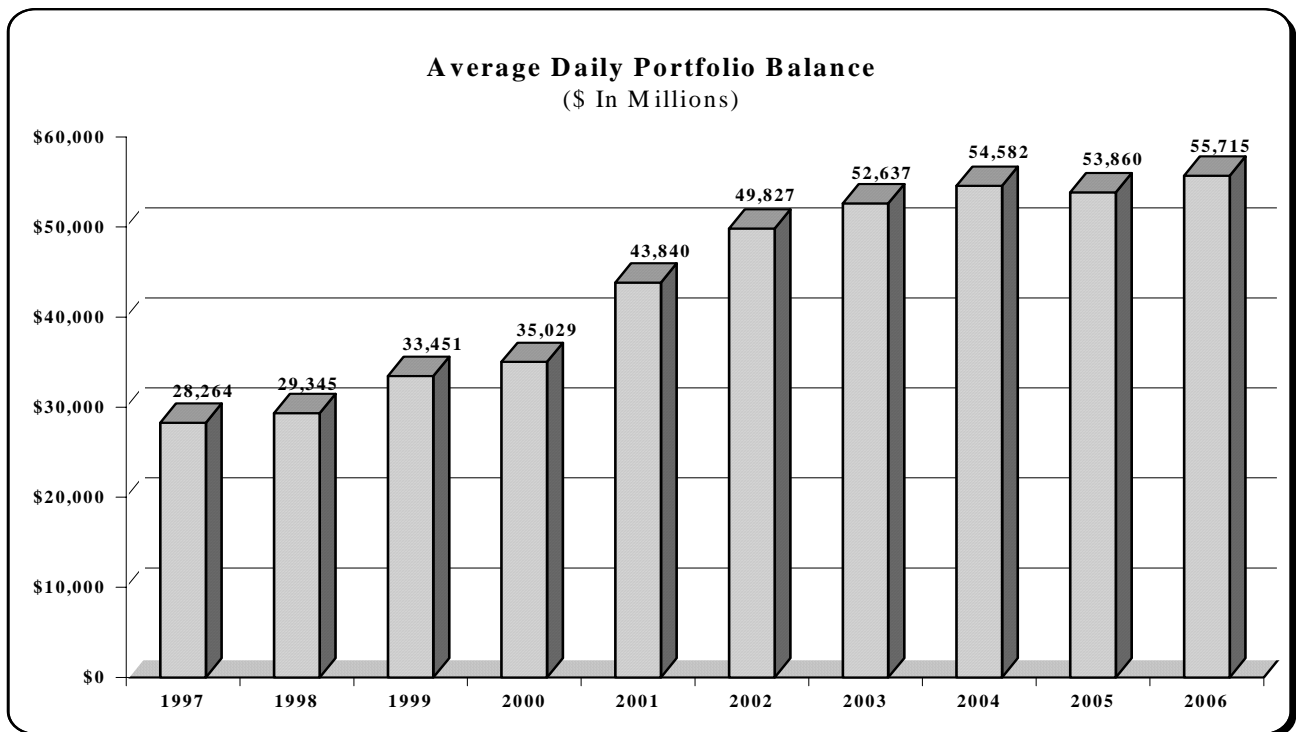
To indicate prevailing market conditions during the 2005-06 fiscal year, the following table shows monthly money market rates, as computed from daily closing bid prices. The information was obtained from Federal Reserve Bulletins published by the Board of Governors, Federal Reserve System, and the Bureau of Public Debt.

## Monthly Yield on Money Market Securities (Yield in Percent Per Annum)

Month	Federal Funds	3-Month Treasury Bills	90-Day Finance Company Commercial Paper	90-Day Certificate of Deposits	6-Month Treasury Bills	1-Year Treasury Bills	3-Year Treasury Issues
July 2005	3.26	3.29	3.49	3.57	3.53	3.64	3.91
August	3.50	3.52	3.69	3.77	3.78	3.87	4.08
September	3.62	3.49	3.79	3.87	3.79	3.85	3.96
October	3.78	3.79	4.05	4.13	4.13	4.18	4.29
November	4.00	3.97	4.23	4.31	4.30	4.33	4.43
December	4.16	3.97	4.37	4.45	4.33	4.35	4.39
January 2006	4.29	4.34	4.48	4.56	4.47	4.45	4.35
February	4.49	4.54	4.63	4.72	4.69	4.68	4.64
March	4.59	4.63	4.79	4.88	4.79	4.77	4.74
April	4.79	4.72	4.94	5.03	4.90	4.90	4.89
May	4.94	4.84	5.05	5.15	5.01	5.00	4.97
June	4.99	4.92	5.25	5.35	5.17	5.16	5.09
2005-2006 Average	4.20	4.17	4.40	4.48	4.41	4.43	4.48
2004-2005 Average	2.20	2.25	2.43	2.49	2.48	2.74	3.33
Increase-(Decrease)	2.00	1.92	1.97	1.99	1.93	1.69	1.15

Note: The 3- and 6-month Treasury Issues and 90-day Commercial Paper are quoted on a discount basis, 1- and 3-year Treasury Issues are quoted on a constant maturity basis.

# Comparison of Portfolio Balance and Earnings for Fiscal Years Ending June 30, 1997 through 2006



Source: State Treasurer's Office, Investment Division

# Pooled Money Investment Account

## Summary Statistics

Resources .....	\$	56,226.8	million per day on the average
Demand Accounts.....	\$	512.0	million per day on the average
Portfolio.....	\$	55,714.8	million per day on the average
Earnings .....	\$	1,850.0	million from security investments
		306.6	million from bank time deposits
		1.2	million from General Fund loans
Earning Rate .....		3.87	percent average for all investments
Dollar Value of Investment Transactions .....	\$	346.8	billion
Number of Investment Transactions .....		8,242	transactions
Time Deposits .....		93	banks, credit unions and savings banks held PMIA money at year-end

Source: State Treasurer's Office, Investment Division

Resources of the Pooled Money Investment Account averaged \$56,226,791,386 per day during the fiscal year although the daily figures fluctuated widely with receipts and disbursements. The high point for the year occurred on June 28, 2006, when the total reached \$68,387,262,441. Resources for the account were lowest on October 27, 2005, when balances totaled \$48,399,610,413.

A breakdown of an average day's resources during the fiscal year shows the following: \$512.0 million in non-interest-bearing bank accounts; \$48.129 billion in securities and General Fund Loans; and \$7.586 billion in interest-bearing time deposits.

On the closing day of the fiscal year, the following resources were on hand in the Pooled Money Investment Account:

Demand bank account	\$	230,145,255
Time bank account		7,853,495,000
Securities		<u>55,481,905,813</u>
<b>Total Resources</b>		<b>\$63,565,546,068</b>



## ***Demand Account Program***

Investments of the PMIA are made from monies flowing through the Treasurer's demand (non-interest-bearing) bank accounts maintained in seven banks that serve as State depositories. As of June 30, 2006, the seven depository banks were: Bank of America, California Bank & Trust, Union Bank of California, Bank of the West, U.S. Bank, Wells Fargo Bank, and Westamerica Bank. A small portion of these funds must remain in the accounts as compensating balances, which consist of (1) a balance for uncollected funds and (2) a balance for banking services. Uncollected funds represent the total dollar amount of checks deposited by the State for which the banks give immediate credit, but for which they do not receive good funds until these checks are presented to the banks on which they are drawn. The State allows the banks an average balance for uncollected funds equivalent to 1.3 calendar days on all checks deposited other than cashier's checks and checks under the presort deposit system.

Under the presort deposit system, the major revenue collecting agencies sort their checks by the seven State depository banks and then deposit them directly into the banks on which they are drawn, thus avoiding the need for providing bank balances for uncollected funds. The remaining miscellaneous checks (drawn on non-State depository banks) are deposited into the State depository bank that holds the miscellaneous sort contract. Currently, Union Bank of California has the contract and receives bank balances equivalent to 1.100 calendar days for the amount of such deposits.

The balances allowed for banking services represent compensation for handling 362,116 deposits, 54.7 million checks deposited, 321,686 dishonored checks, \$904.2 million in currency deposited, \$10.8 million in coin deposited, 121.5 million warrants paid and 1,026 checks paid.

All amounts in excess of these compensating balances are promptly invested by the Treasurer. Intensive and expert analysis of receipts and disbursement data is used daily to estimate the State's rapidly shifting cash position in order to determine exactly how much money is available for investment. This results in maximum earnings consistent with prudent management.

Compensating balances are determined by a formula, which accounts for the estimated volume of each service item as well as its unit cost. The rate schedule for the compensating balance formula is determined through annual negotiations with the State's depository banks and the cost for any particular service may be raised or lowered as conditions warrant. Adjustments for the difference between actual and estimated workload for any fiscal year are made in the following fiscal year. The State made no changes in the rate schedule for banking services for the 2005-06 fiscal year. In addition to the rates shown below, the State agreed to include the costs of account reconciliation and electronic funds transfer services within the compensating balance formula starting in the 1991-92 fiscal year.

The costs for these two services are paid (with balances) on a lagged, actual basis when billed by each bank. During the fiscal year 2005-06, a total of \$85.4 billion was collected under the EFT contract and over \$2 trillion flowed in and out of the State Treasurer's demand accounts. The following schedule shows the approved rates, actual volume, and total costs for banking services for the 2005-06 fiscal year:

## Schedule of Banking Services 2005-06 Fiscal Year

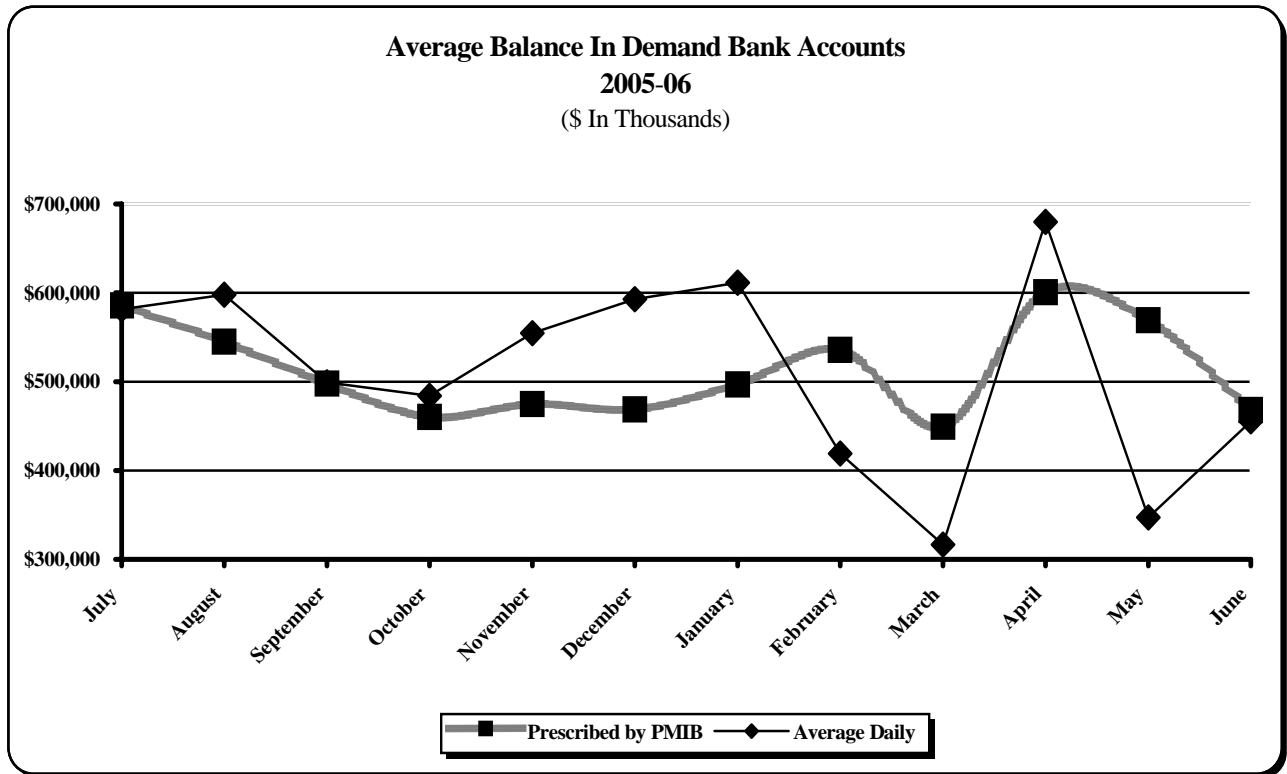
Banking Service	Approved Charges	Actual Volume	Actual Cost
Encoded Checks Deposited			
"On Us"	\$0.04	15,820,412	\$632,816
"Other"	0.053	18,934,512	1,003,529
Non Encoded Checks	0.09	19,970,487	1,797,344
Warrants	0.01	121,539,394	1,215,394
Checks Paid	0.12	1,026	123
Dishonored Checks	2.75	321,686	884,637
Regular Deposits	1.40	251,404	351,966
Split Bag Deposits	0.55	110,712	60,892
Coin	0.01100	10,849,077	119,340
Currency	0.00105	904,247,035	949,459
Account Maintenance	15.00	3,338	50,070
Daily Statements	6.00	6,735	40,410
Incoming Wire Charges	8.50	2,020	17,170
Reconciliation Services (Direct Billed)			818,262
Subtotal Non-EFT Contract Services			<u>\$7,941,411</u>
EFT Contract Services (Direct Billed)			
ACH Debit	\$0.5985	1,990,437	\$1,191,277
ACH Credit	0.5985	3,212,937	1,922,943
Direct Debit	0.03	1,596,349	47,890
Other transactions	Various	126,344	152,555
Subtotal EFT Contract Services			<u>\$3,314,665</u>
<b>Total Banking Services</b>			<b>\$11,256,076</b>

Source: State Treasurer's Office, Cash Management Division

# Average Daily Balance in Demand Bank Accounts 2005-06

(\$ In Thousands)

Month	Bank Balance Required for Banking Services	Bank Balance Required for Uncollected Funds	Less Net Delayed Deposit Credit	Bank Balance Prescribed by PMIB	Actual Average Daily Bank Balance
July 2005	\$415,737	\$172,520	\$2,364	\$585,893	\$581,527
August	356,107	190,758	2,003	544,862	597,804
September	341,004	158,753	1,833	497,925	499,235
October	311,591	152,919	4,398	460,112	484,065
November	304,790	174,087	4,192	474,685	554,464
December	323,120	143,457	(2,350)	468,927	592,863
January 2006	332,791	166,788	2,892	496,687	611,313
February	316,939	220,542	1,688	535,793	419,241
March	324,967	142,890	18,652	449,205	316,647
April	267,952	342,510	9,851	600,610	679,638
May	281,421	308,585	20,977	569,029	347,247
June	269,143	223,789	24,817	468,116	455,203
Weighted Average	\$320,764	\$199,356	\$7,630	\$512,489	\$511,974



Source: State Treasurer's Office, Cash Management Division

# *Investment Program*

Although the Pooled Money Investment Board designates how much shall be invested in interest-bearing time accounts and securities, it is the responsibility of the State Treasurer to administer the investment program on a day-to-day basis in line with overall Board policy. This entails a daily determination of amounts available for investment, or the need for liquidating securities to meet estimated warrant redemption requirements, while maintaining the approved compensating balance position. This means that the State Treasurer must continually adjust the estimates for receipts and disbursements to reflect current available information.

For the 2005-06 fiscal year, investments in time deposits ranged from \$7,115,995,000 to \$7,853,495,000 and averaged \$7,586,240,205. There were 1,889 transactions totaling \$43,699,670,000 during the year. California commercial banks, savings banks and credit unions receiving these State deposits must secure them with approved securities having a market value of at least 110 percent of the deposits or with approved promissory notes secured by mortgages or deeds of trust having a market value of at least 150 percent of the deposits. The same collateral requirements also apply to the State's demand accounts. At the end of fiscal year 2005-06, interest-bearing time deposits were held by 70 commercial banks, 12 credit unions and 11 savings banks throughout California. For the fiscal year, PMIA holdings in time deposits had an average yield of 4.04 percent.

The amount of money designated by the Board for investment in securities varies dramatically throughout the year. Such designations are made at least monthly, and again, the State Treasurer handles the actual investments, determining the issue and maturity of authorized securities to be bought or sold in accordance with cash needs and both current and projected market conditions. During fiscal year 2005-06, there were 3,195 security purchase transactions and 3,158 security sales or redemption transactions, with a total investment activity of \$303.1 billion.

Total earnings for the Pooled Money Investment Account in fiscal year 2005-06 were \$2,157,844,710. These earnings were credited as follows:

General Fund	\$ 450,074,554
Fish and Game Preservation Fund	\$ 499,915
Surplus Money Investment Fund	\$1,062,162,257
Local Agency Investment Fund	\$ 639,002,102
Public Employee's Retirement Fund	\$ 3,794,774
State Teacher's Retirement Fund	\$ 2,311,108

Earnings consisted of \$1,850,014,214 from security investments at an average 3.85 percent yield, \$306,641,563 from time deposits at an average 4.04 percent yield and \$1,188,932 from General Fund loans at an average 3.57 percent yield. The overall return on investment was 3.87 percent.

The portfolio holdings of the Pooled Money Investment Account for the 2005-06 fiscal year are illustrated in the following tables:

<b>Schedule of Security Purchases by Term</b> <b>2005-06 Fiscal Year</b> (At Cost - \$ In Thousands)							
<b>Month</b>	<b>Under 10 Days</b>	<b>10-29 Days</b>	<b>30-89 Days</b>	<b>90 Days- 1 Year</b>	<b>1 - 3 Years</b>	<b>Over 3 Years</b>	<b>TOTALS</b>
July 2005	\$999,775	\$0	\$399,532	\$4,265,965	\$150,023	\$15,050	\$ 5,830,345
August	2,603,144	1,022,792	498,667	5,457,665	524,005	12,368	10,118,641
September	2,904,543	1,747,140	751,357	5,596,836	100,224	9,745	11,109,845
October	4,817,624	1,104,952	572,016	4,319,179	705,580	15,000	11,534,351
November	3,371,256	2,770,595	327,622	5,745,950	552,933	361,796	13,130,152
December	3,244,102	1,647,635	1,711,720	5,465,862	0	0	12,069,319
January 2006	2,750,930	3,011,879	1,740,579	4,410,131	270,973	33,321	12,217,813
February	4,248,907	1,764,042	1,705,231	2,650,237	297,460	26,133	10,692,010
March	3,438,143	2,191,719	525,801	7,276,637	0	14,546	13,446,846
April	2,119,005	1,346,270	3,489,777	11,516,652	614,354	24,343	19,110,401
May	3,992,538	947,897	2,669,143	6,118,133	575,507	13,045	14,316,263
June	4,762,099	3,041,542	399,140	6,840,519	1,322,502	6,438	16,372,240
<b>Total</b>	<b>\$39,252,066</b>	<b>\$20,596,463</b>	<b>\$14,790,585</b>	<b>\$69,663,766</b>	<b>\$5,113,561</b>	<b>\$531,785</b>	<b>\$149,948,226</b>
<b>Percent</b>	<b>26.18%</b>	<b>13.74%</b>	<b>9.86%</b>	<b>46.46%</b>	<b>3.41%</b>	<b>0.35%</b>	<b>100.00%</b>

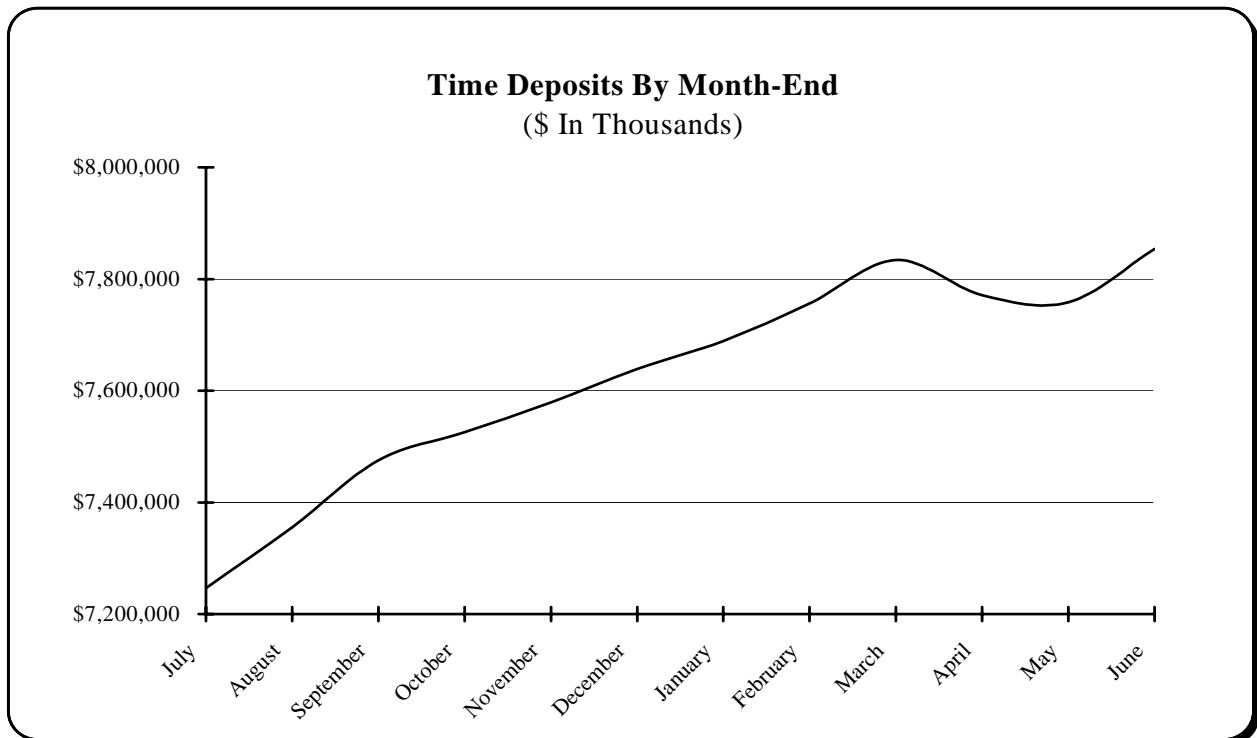
Source: State Treasurer's Office, Investment Division

<b>Analysis of Portfolio</b> <b>2005-06 Fiscal Year</b>						
<b>Type Of Security</b>	<b>Average Daily Portfolio</b>	<b>Percent Of Portfolio</b>	<b>Earnings For Year</b>	<b>Effective Percentage Yield For Year</b>	<b>Average Portfolio Life on 6/30/06 (In Days)</b>	<b>Percent Of Portfolio On 6/30/06</b>
U.S. Treasury Bills/Strips	\$1,929,129,254	3.46	\$74,343,960	3.85	114	2.62
U.S. Treasury Bonds & Notes	3,258,395,157	5.85	92,350,214	2.83	367	2.52
Federal Agency Cpn Securities	8,598,567,727	15.43	302,997,910	3.52	191	15.71
Federal Agency Discount Notes	5,780,287,049	10.37	236,833,824	4.10	94	12.24
GNMA	267,574	0.00	31,852	11.90	4,381	0.00
FHLMC	634,454,812	1.14	22,241,622	3.51	4,381	1.06
Negotiable CDs	12,951,887,655	23.25	546,752,392	4.22	77	23.33
Time Deposits	7,586,240,205	13.62	306,641,563	4.04	66	12.40
Bankers Acceptances	0	0.00	0	0.00	0	0.00
Commercial Paper	7,728,456,522	13.87	337,270,286	4.36	35	18.55
Corporate Bonds	989,610,478	1.78	34,243,566	3.46	163	1.44
Repurchase Agreements	1,232,877	0.00	52,889	4.29	3	0.00
Reverse Repurchase Agreements	(122,460,685)	-0.22	(4,767,574)	3.89	149	0.00
AB 55 Loans	6,345,474,514	11.39	207,663,274	3.27	175	10.12
General Fund Loans	33,274,247	0.06	1,188,932	3.57	18	0.00
<b>Total Portfolio</b>	<b>\$55,714,817,386</b>	<b>100%</b>	<b>\$2,157,844,710</b>	<b>3.87%</b>	<b>152</b>	<b>100%</b>

Source: State Treasurer's Office, Investment Division

## Time Deposits by Month-End 2005-06 Fiscal Year

Month	Total
July 2005.....	\$ 7,245,995,000
August.....	7,355,495,000
September.....	7,475,495,000
October.....	7,525,495,000
November.....	7,578,995,000
December.....	7,638,995,000
January 2006.....	7,688,995,000
February.....	7,755,995,000
March.....	7,833,995,000
April.....	7,770,995,000
May.....	7,758,495,000
June.....	7,853,495,000



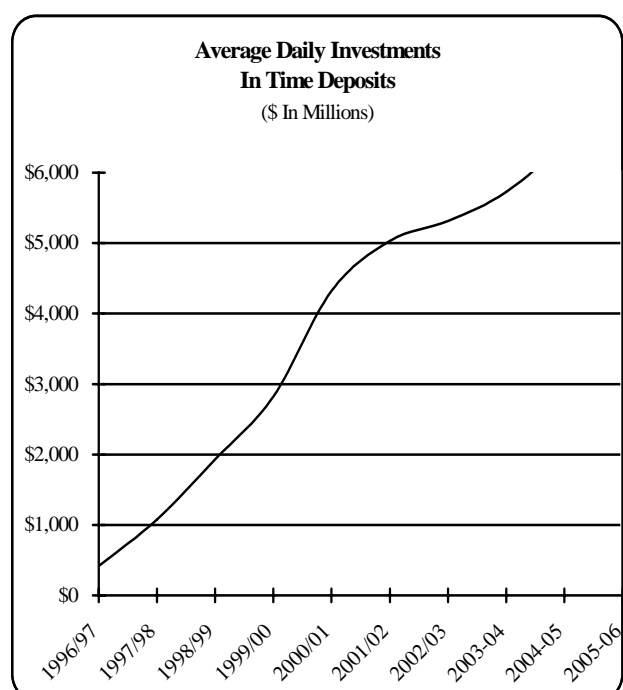
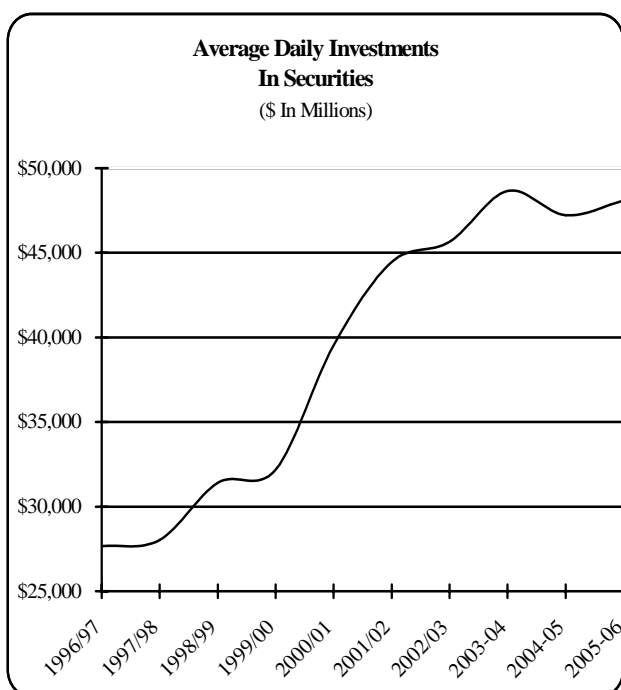
Source: State Treasurer's Office, Investment Division

# Summary of Investments and Earnings

## Fiscal Years Ending June 30, 1997 through 2006

(\$ In Thousands)

Investment in Securities				Investment in Time Deposits			
Fiscal Year	Average Daily Investment	Earnings	Earnings Rate (%)	Fiscal Year	Average Daily Investment	Earnings	Earnings Rate (%)
1996-97	\$27,674,553	\$1,550,599	5.60	1996-97	\$419,648	\$22,376	5.33
1997-98	28,034,192	1,601,603	5.71	1997-98	1,076,268	57,452	5.34
1998-99	31,409,593	1,688,570	5.38	1998-99	1,928,600	93,095	4.83
1999-00	32,177,870	1,845,503	5.74	1999-00	2,820,736	152,310	5.40
2000-01	39,522,485	2,424,943	6.14	2000-01	4,317,936	251,215	5.82
2001-02	44,467,159	1,563,523	3.52	2001-02	5,031,747	143,920	2.86
2002-03	45,644,967	1,013,254	2.22	2002-03	5,313,015	84,296	1.59
2003-04	48,663,614	771,823	1.59	2003-04	5,726,197	61,298	1.07
2004-05	47,229,141	1,073,098	2.27	2004-05	6,457,397	138,940	2.15
2005-06	48,095,303	1,850,015	3.85	2005-06	7,586,240	306,641	4.04



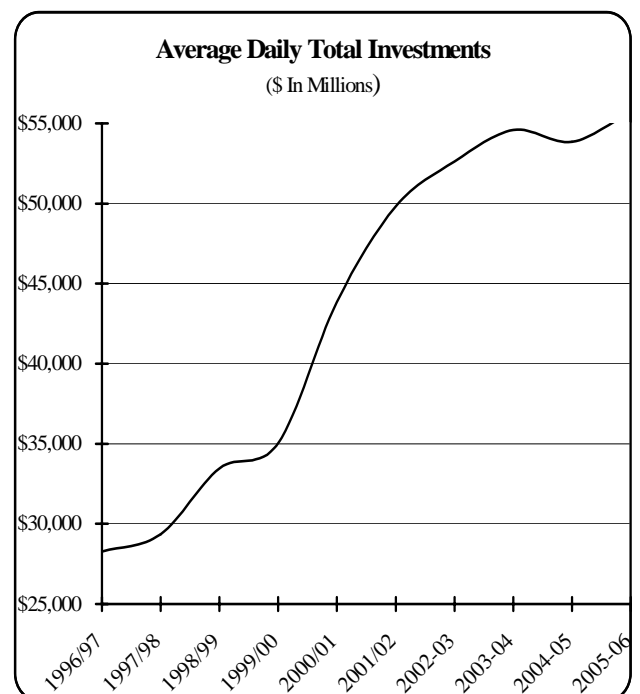
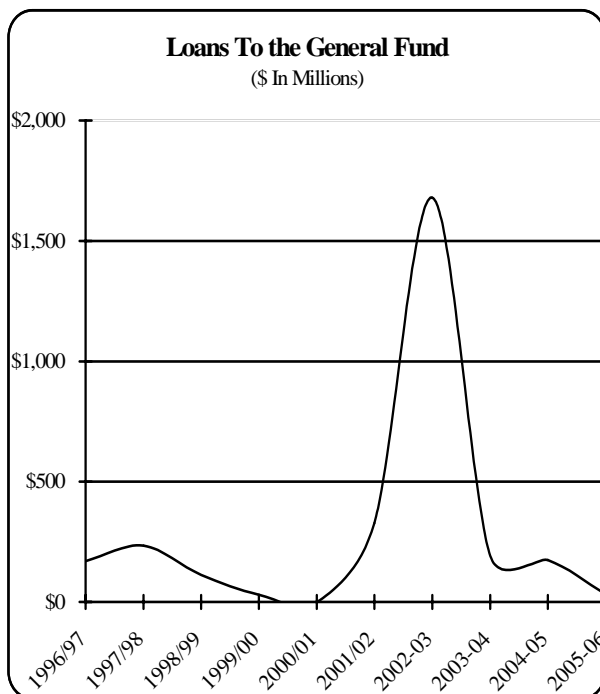
Source: State Treasurer's Office, Investment Division

# Summary of Investments and Earnings

## Fiscal Years Ending June 30, 1997 through 2006

(\$ In Thousands)

Loans to General Fund				Total Investments			
Fiscal Year	Average Daily Investment	Earnings	Earnings Rate (%)	Fiscal Year	Average Daily Investment	Earnings	Earnings Rate (%)
1996-97	\$169,868	\$9,468	5.57	1996-97	\$28,264,069	\$1,582,443	5.60
1997-98	234,052	13,327	5.69	1997-98	29,344,512	1,672,382	5.70
1998-99	112,895	6,099	5.40	1998-99	33,451,088	1,787,764	5.34
1999-00	30,428	1,670	5.49	1999-00	35,029,034	1,999,483	5.71
2000-01	-	-	-	2000-01	43,840,421	2,676,158	6.10
2001-02	328,171	9,102	2.77	2001-02	49,827,077	1,716,545	3.45
2002-03	1,678,666	35,380	2.11	2002-03	52,636,648	1,132,930	2.15
2003-04	192,039	2,950	1.54	2003-04	54,581,850	836,072	1.53
2004-05	173,949	3,078	1.77	2004-05	53,860,487	1,215,116	2.26
2005-06	33,274	1,189	3.57	2005-06	55,714,817	2,157,845	3.87



Source: State Treasurer's Office, Investment Division



# Financial Community Coverage

(The following firms conducted investment transactions with the State Treasurer's Office during the 2005-06 Fiscal Year.)

1 <sup>st</sup> Century Bank, N.A.	General Electric Capital Corporation	Shinhan Bank America
ABN Amro Capital Markets	General Motors Acceptance Corporation	Signature Securities Group Corp.
America California Bank	Golden 1 Credit Union, The	Silvergate Bank
American Express Credit Corporation	Goldman, Sachs & Company	Societe Generale
American River Bank	Greater Bay Bank, N.A.	Southwest Community Bank
Banc of America Securities LLC	Greenwich Capital Markets, Inc.	State Bank of India (California)
Banco Popular North America	Hanmi Bank	Stone and Youngberg, LLC
Bank of East Asia (USA) N.A., The	HSBC Finance Corporation	Summit State Bank
Bank of Montreal	HSBC Securities (USA) Inc.	Sutter Securities, Inc.
Bank of Sacramento	ICAP Corporates, LLC	Tamalpais Bank
Bank of the Sierra	Independence Bank	Toyota Motor Credit Corporation
Bank of the West	J.P. Morgan Securities, Inc.	Trans Pacific National Bank
Barclays Capital Inc.	Kaplan & Company Securities, Inc.	Travis Credit Union
Bear Stearns and Company, Inc.	La Jolla Bank, FSB	Tri Counties Bank
BGC Brokers, Inc.	Lehman Brothers	U.S. Bank, N.A.
BNP Paribas Securities Corporation	Loop Capital Markets, LLC	UBS Securities LLC
Broadway Federal Bank, FSB	Magna Securities Corp.	Union Banc Investment Services
Cal State 9 Credit Union	Malaga Bank, FSB	Union Bank of California
Calyon - New York	Manufacturers Bank	United Commercial Bank
Cathay Bank	Mechanics Bank, The	United Security Bank
Cedars Bank	Mellon 1st Business Bank N.A.	Valley Community Bank
Center Bank	Merchants National Bank of Sac.	Wachovia Bank, N.A.
Central California Bank	Meriwest Credit Union	Washington Mutual Bank F.A.
CHB America Bank	Merrill Lynch and Company	Wells Fargo Institutional Securities, LLC
Chevron Corporation	Mesirow Financial, Inc.	Wescom Credit Union
China Trust Bank (USA)	Metropolitan Bank	Westamerica Bank
CIBC/CIBC Oppenheimer	MFR Securities, Inc.	Western Federal Credit Union
Citibank (West), FSB	Mid State Bank & Trust	Western Sierra National Bank
Citigroup Global Markets, Inc.	Mirae Bank	Williams Capital Group, L.P.
Citigroup Security Funding	Mission Community Bank	Wilshire State Bank
Citizens Business Bank	Mission Federal Credit Union	Xerox Federal Credit Union
Comerica Bank	Mizuho Securities USA, Inc.	Zions Capital Markets Group
CommerceWest Bank, N.A.	Morgan Keegan and Company, Inc.	
Commercial Capital Bank	Morgan Stanley	
Commonwealth Business Bank	Nara Bank, N.A.	
Community Bank	Neighborhood National Bank	
County Bank	Nomura Securities International, Inc.	
Credit Suisse Securities USA, LLC	Oak Valley Community Bank	
D.A. Davidson and Company	Oceanic Bank	
Delta National Bank	Omni Bank, N.A.	
Diablo Valley Bank	One United Bank	
East West Bank	Operating Engineers Local #3 FCU	
Eastern International Bank	Orange County Business Bank, N.A.	
El Dorado Savings Bank	Pacific Capital Bank, N.A.	
Euro Brokers, Inc.	Pacific State Bank	
EverTrust Bank	Pacific Western National Bank	
Far East National Bank	PFF Bank & Trust	
Farmers & Merchants Bank of Cen. CA	Preferred Bank	
First Bank of Beverly Hills	Premier America Credit Union	
First Bank of San Luis Obispo	Provident Central Credit Union	
First California Bank	Provident Savings Bank	
First Coastal Bank, N.A.	Rabobank	
First Future Credit Union	River City Bank	
First Matrix Inv. Services Corp.	Robert Van Securities, Inc.	
First Private Bank & Trust	Royal Bank of Scotland Plc.	
First Standard Bank	Saehan Bank	
First State Bank of California	SAFE Credit Union	
First United Bank	San Luis Trust Bank	
Five Star Bank	Santa Clara County FCU	
Ford Motor Credit Company	SBK-Brooks Investment Corp.	
Fortis Bank NV SA	Scotia Capital Markets (USA) Inc.	
Fullerton Community Bank, FSB	Securities America, Inc.	
Garban Capital Markets	Service First Bank	

Source: State Treasurer's Office, Investment Division

# **Surplus Money Investment Fund**

## **Program Summary**

The Surplus Money Investment Fund consists of the available cash of all special funds which do not have investment authority of their own, and all or a portion of the available cash of special funds having investment authority of their own, but which have elected to be included in the program. Cash balances in excess of needs in any of these participating funds are invested by the State Treasurer.

The Pooled Money Investment Board is responsible for determining whether any cash balances of the participating funds are in excess of current needs and available for investment, or whether it is necessary to liquidate previous investments to meet current requirements. This determination is performed operationally by the State Controller's Office by means of a continuing review of the cash balances of the participating funds.

As a result of these determinations, the State Controller prepares a document for the Pooled Money Investment Board's approval which authorizes the State Controller to increase or decrease the invested balances of the applicable funds.

All of the resources of the Surplus Money Investment Fund are invested through the Pooled Money Investment Account. Prior to the 1967-68 fiscal year, the Surplus Money Investment Fund was a separate investment program. In 1967, legislation was enacted (Chapter 505, Statutes 1967) which provided that money in the Surplus Money Investment Fund shall be invested through the Pooled Money Investment Account. This legislation further provided that the Surplus Money Investment Fund would share in the interest earnings of the Pooled Money Investment Account based on the ratio that the dollar-day contributions of the Surplus Money Investment Fund bear to the dollar-day investments of the Pooled Money Investment Account.

This legislation increased the potential investment earnings for both programs, since their high and low resource periods tend to complement each other. Consequently, under normal market conditions, more long-term, higher yielding securities may be purchased.

### **Earnings for 2005-06**

Gross earnings totaled \$1,062,162,258 for the 2005-06 fiscal year. This represents an earning rate of 3.87 percent for this investment program.

Surplus Money Investment Fund earnings are computed on a dollar-day basis to guarantee equitable distribution among all member funds and apportioned quarterly by the State Controller.

## Participation

There were over one thousand special funds and accounts participating in the Surplus Money Investment Fund as of the last day of the fiscal year—June 30, 2006. Their combined deposits totaled \$10,634,007,000.

Large contributors as of June 30, 2006 were the: Unemployment Compensation Disability Fund, \$3,049,912,000; Department of Water Resources Electric Power Fund, \$2,323,011,000; Public Buildings Construction Fund, \$1,080,189,000; Fiscal Recovery Fund, \$926,591,000; California Housing Finance Fund, \$924,654,000; Mental Health Services Fund \$911,449,000; State School Facilities Fund 2002, \$718,194,000; and the State School Facilities Fund 2004, \$700,007,000.

## The Year in Review

Resources.....	\$27.467 billion per day on average
Earnings.....	\$1.062 billion
Earning Rate.....	3.87 percent

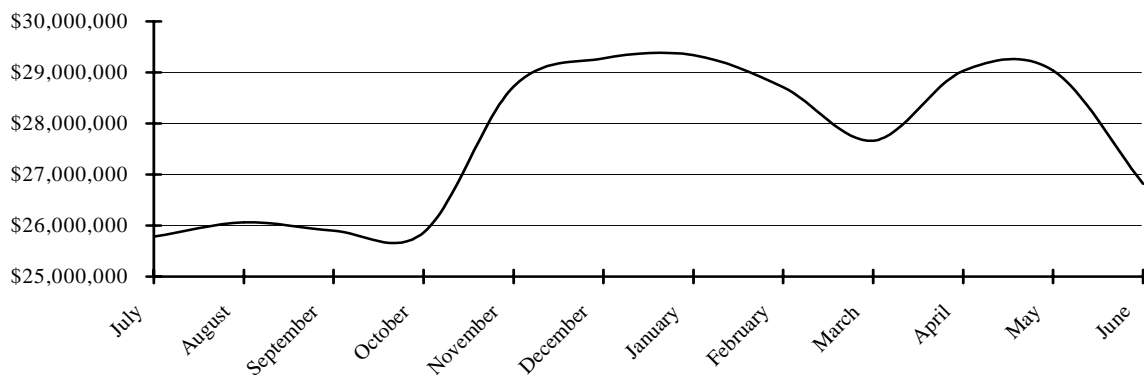
Source: State Treasurer's Office, Investment Division

Monthly deposit balances are shown in the following table:

### Resources of The Surplus Money Investment Fund 2005-06 Fiscal Year (Month-End Balances)

Month	Total
July 2005.....	\$25,783,335,000
August.....	26,064,550,000
September.....	25,901,306,017
October.....	25,863,452,000
November.....	28,727,573,000
December.....	29,275,202,100
January 2006.....	29,339,473,100
February.....	28,709,962,100
March.....	27,659,565,100
April.....	29,032,332,000
May.....	29,035,415,000
June.....	26,819,467,000

**Resources of the Surplus Money Investment Fund**  
2005-06 Fiscal Year (Month-End Balances)  
(\$ In Thousands)



Source: State Controller's Office, *Report of Cash Assets of all Funds in the State Treasury*

# Local Agency Investment Fund

## Program Summary

The Local Agency Investment Fund was established by Chapter 730, Statutes of 1976. This fund enables local governmental agencies or trustees to remit money not required for immediate needs to the State Treasurer for the purpose of investment. In order to derive the maximum rate of return possible, the State Treasurer has elected to invest these monies with State monies as a part of the Pooled Money Investment Account.

Each participating agency determines the length of time its money will be on deposit with the State Treasurer with the exception of bond proceeds, which must remain for a minimum of 30 days. At the end of each calendar quarter, all earnings derived from investments are distributed by the State Controller to the participating government agencies in proportion to each agency's respective amounts deposited in the Fund and the length of time such amounts remained therein. Prior to the distribution, the State's reasonable costs of administering this program are deducted from the earnings.

### Earnings for 2005-06

Gross earnings for fiscal year 2005-06 totaled \$639,002,102. This represented a 3.84 percent yield for this investment program.

### Participation

As of June 30, 2006, there were 2,635 participants in the Local Agency Investment Fund consisting of 54 counties, 472 cities, 1,744 special districts, 216 trustees and 149 bond accounts. Deposits in the fund averaged \$16.644 billion for the year.

## The Year in Review

Resources.....	\$	16.644	billion per day on average
Earnings.....	\$	639.0	million
Earning Rate.....		3.84	percent
Participation.....		2,635	Agencies or accounts at year-end.

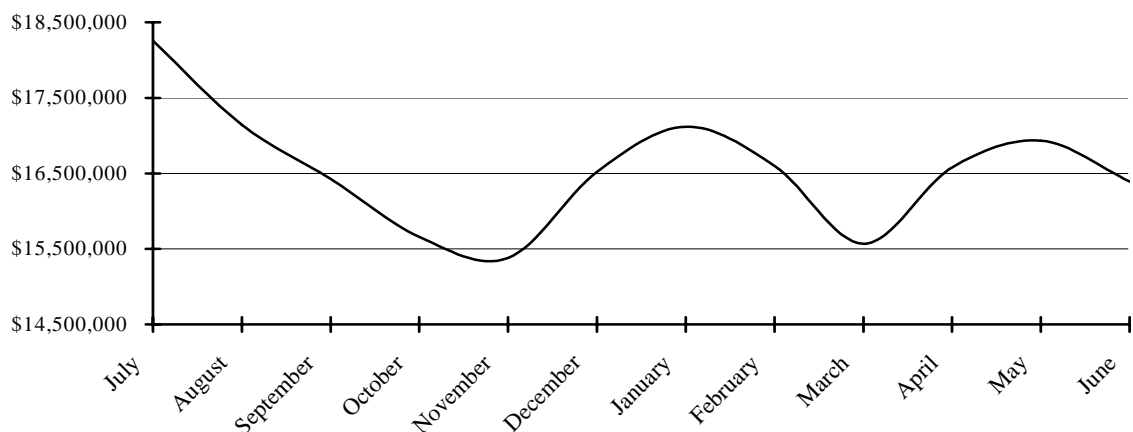
Source: State Treasurer's Office, Investment Division (LAIF)

The following table shows monthly resources of the Local Agency Investment Fund:

**Resources of  
The Local Agency Investment Fund  
2005-06 Fiscal Year (Month-End Balances)**

<b>Month</b>	<b>Total</b>
July 2005.....	\$18,257,092,569
August.....	17,141,766,279
September.....	16,426,321,619
October.....	15,658,921,242
November.....	15,378,416,266
December.....	16,516,869,794
January 2006.....	17,118,876,055
February.....	16,597,349,478
March.....	15,568,441,965
April.....	16,576,785,519
May.....	16,931,432,686
June.....	16,392,047,241

**Resources of the Local Agency Investment Fund  
2005-06 Fiscal Year (Month-End Balances)**  
(\$ In Thousands)



Source: State Treasurer's Office, Investment Division (LAIF)

# Appendices

## Appendix A

### Pooled Money Investment Account Summary of Investments and Earnings (\$ In Thousands)

Fiscal Year	Average Investment Portfolio	Earnings	Annual Earnings Rate (Percent)	Average Earning Rate (Percent)		
				5 Years	10 Years	15 years
1956-57	\$ 393,742	\$ 9,573	2.43			
1957-58	594,306	16,421	2.76			
1958-59	544,868	15,762	2.89			
1959-60	614,835	21,045	3.42			
1960-61	736,204	28,139	3.82	3.23		
1961-62	867,144	26,521	3.06	3.19		
1962-63	910,863	30,548	3.35	3.31		
1963-64	896,535	32,519	3.63	3.46		
1964-65	966,592	38,004	3.93	3.56		
1965-66	1,083,347	47,761	4.41	3.68	3.48	
1966-67	1,057,800	52,540	4.97	4.06	3.62	
1967-68	1,117,717	56,566	5.06	4.40	3.85	
1968-69	1,301,302	78,174	6.01	4.88	4.17	
1969-70	1,216,414	84,781	6.97	5.48	4.52	
1970-71	1,264,894	77,527	6.13	5.83	4.75	4.32
1971-72	1,397,494	68,350	4.89	5.81	4.93	4.35
1972-73	2,254,401	125,116	5.55	5.91	5.15	4.54
1973-74	2,594,629	232,780	8.97	6.50	5.69	4.94
1974-75	2,749,431	238,298	8.67	6.84	6.16	5.29
1975-76	3,209,143	204,303	6.37	6.89	6.36	5.46
1976-77	4,460,487	261,657	5.87	7.08	6.45	5.65
1977-78	6,843,940	458,625	6.70	7.31	6.61	5.87
1978-79	8,123,266	692,417	8.52	7.22	6.86	6.20
1979-80	8,285,941	873,469	10.54	7.60	7.22	6.64
1980-81	7,298,693	786,877	10.78	8.48	7.69	7.07
1981-82	5,234,524	631,968	12.07	9.72	8.40	7.54
1982-83	5,254,589	549,229	10.45	10.47	8.89	7.90
1983-84	7,094,849	738,462	10.41	10.85	9.04	8.19
1984-85	11,903,660	1,275,503	10.72	10.89	9.24	8.44
1985-86	15,438,406	1,401,990	9.08	10.55	9.51	8.64
1986-87	19,167,196	1,425,047	7.43	9.62	9.67	8.81
1987-88	17,628,558	1,388,074	7.87	9.10	9.79	8.96
1988-89	17,496,405	1,516,767	8.67	8.75	9.80	8.94
1989-90	19,558,775	1,692,905	8.66	8.34	9.61	8.94
1990-91	20,754,895	1,663,140	8.01	8.13	9.34	9.05
1991-92	21,456,433	1,329,476	6.20	7.88	8.75	9.07
1992-93	23,051,543	1,085,126	4.71	7.25	8.18	8.94
1993-94	25,433,078	1,115,660	4.39	6.39	7.57	8.67
1994-95	26,802,123	1,482,574	5.53	5.77	7.05	8.33
1995-96	26,623,196	1,519,020	5.71	5.31	6.72	7.99
1996-97	28,264,069	1,582,443	5.60	5.19	6.53	7.56
1997-98	29,344,512	1,672,382	5.70	5.38	6.32	7.25
1998-99	33,451,088	1,787,765	5.34	5.58	5.98	6.91
1999-00	35,029,034	1,999,483	5.71	5.61	5.69	6.57



## Appendix A (Continued)

Fiscal Year	Average Investment Portfolio		Earnings	Annual Earnings Rate (Percent)	Average Earning Rate (Percent)		
					5 Years	10 Years	15 years
2000-01	\$	43,840,421	\$ 2,676,158	6.10	5.69	5.50	6.38
2001-02		49,827,077	1,716,545	3.45	5.27	5.22	6.11
2002-03		52,636,648	1,132,930	2.15	4.55	4.97	5.73
2003-04		54,581,850	836,072	1.53	3.79	4.68	5.25
2004-05		53,860,487	1,215,116	2.26	3.10	4.36	4.83
2005-06		55,714,817	2,157,845	3.87	2.65	4.17	4.55

Source: The average investment portfolio, earnings and annual earnings rate were taken from the published *Annual Report of the Pooled Money Investment Board* for each fiscal year. Please see the following note.

### NOTE TO PMIA SUMMARY OF INVESTMENTS AND EARNINGS TABLE

The Pooled Money Investment Board was established as an agency of State government by Chapter 1703, Statutes of 1955, and became operational in April 1956. The 1956-57 fiscal year was the first full year for the Pooled Money Investment Account (PMIA). In 1957-58, the Surplus Money Investment Fund (SMIF) and the Condemnation Deposits Fund (CDF) were placed under the administration of the PMIB. Separate investment portfolios were managed for these two funds for a number of years. SMIF operated this way until the 1967-68 fiscal year, when legislation allowed this fund to be invested as a part of the PMIA. The CDF continued as a separate investment portfolio until 1975, when it also was combined with the PMIA. In order to make data for the early years in the table comparable to the later years (1975-76 and after), the average daily investment and the annual earnings for both SMIF and CDF were combined with those for the PMIA. The earning rates for these early years were computed using these combined figures.

# HISTORICAL PMIA YIELDS

(Yield In Percent Per Annum)

MONTHLY DATE      AVERAGE      ANNUAL AVERAGE			ALLOCATION RATE	
			LAIF QUARTERLY	SMIF SEMI-ANNUAL
Jan-77	5.77	5.87	5.68	5.79
Feb-77	5.66			
Mar-77	5.66			
Apr-77	5.65			
May-77	5.76			
Jun-77	5.85			
Jul-77	5.93			
Aug-77	6.05			
Sep-77	6.09			
Oct-77	6.39			
Nov-77	6.61	6.70	6.45	6.18
Dec-77	6.73			
Jan-78	6.92			
Feb-78	7.05			
Mar-78	7.14			
Apr-78	7.27			
May-78	7.39			
Jun-78	7.57			
Jul-78	7.65			
Aug-78	7.82			
Sep-78	7.87	8.52	7.86	7.17
Oct-78	8.11			
Nov-78	8.29			
Dec-78	8.77			
Jan-79	8.78			
Feb-79	8.90			
Mar-79	8.82			
Apr-79	9.08			
May-79	9.05			
Jun-79	9.22			
Jul-79	9.20	9.10	8.98	
Aug-79	9.53			
Sep-79	9.26			
Oct-79	9.81			
Nov-79	10.22	10.06	9.66	
Dec-79	10.22			

**HISTORICAL PMIA YIELDS**

(Yield In Percent Per Annum)

<b>DATE</b>	<b>MONTHLY AVERAGE</b>	<b>ANNUAL AVERAGE</b>	<b>ALLOCATION RATE</b>	
			<b>LAIF QUARTERLY</b>	<b>SMIF SEMI-ANNUAL</b>
<b>Jan-80</b>	10.98	10.54	11.11	11.38
<b>Feb-80</b>	11.25			
<b>Mar-80</b>	11.49			
<b>Apr-80</b>	11.48			
<b>May-80</b>	12.02		11.54	11.38
<b>Jun-80</b>	11.80			
<b>Jul-80</b>	10.21			
<b>Aug-80</b>	9.87			
<b>Sep-80</b>	9.95		10.01	10.21
<b>Oct-80</b>	10.06			
<b>Nov-80</b>	10.43			
<b>Dec-80</b>	10.96			
<b>Jan-81</b>	10.99	10.78	11.23	11.69
<b>Feb-81</b>	11.69			
<b>Mar-81</b>	11.13			
<b>Apr-81</b>	11.48			
<b>May-81</b>	12.18		11.68	11.69
<b>Jun-81</b>	11.44			
<b>Jul-81</b>	12.35			
<b>Aug-81</b>	12.84			
<b>Sep-81</b>	12.06		12.40	12.19
<b>Oct-81</b>	12.40			
<b>Nov-81</b>	11.89			
<b>Dec-81</b>	11.48			
<b>Jan-82</b>	11.68	12.07	11.82	11.93
<b>Feb-82</b>	12.04			
<b>Mar-82</b>	11.84			
<b>Apr-82</b>	11.77			
<b>May-82</b>	12.27		11.99	11.93
<b>Jun-82</b>	11.99			
<b>Jul-82</b>	12.24			
<b>Aug-82</b>	11.91			
<b>Sep-82</b>	11.15		11.74	11.26
<b>Oct-82</b>	11.11			
<b>Nov-82</b>	10.70			
<b>Dec-82</b>	10.40			

**HISTORICAL PMIA YIELDS**

(Yield In Percent Per Annum)

MONTHLY ANNUAL DATE AVERAGE AVERAGE			ALLOCATION RATE	
			LAIF QUARTERLY	SMIF SEMI-ANNUAL
Jan-83	10.25	10.45	9.87	9.98
Feb-83	9.89			
Mar-83	9.69			
Apr-83	9.87			
May-83	9.53			
Jun-83	9.60			
Jul-83	9.88		10.04	10.15
Aug-83	10.08			
Sep-83	10.20			
Oct-83	10.18			
Nov-83	10.16			
Dec-83	10.23			
Jan-84	10.31	10.41	10.32	10.63
Feb-84	10.28			
Mar-84	10.38			
Apr-84	10.59			
May-84	10.84			
Jun-84	11.12			
Jul-84	11.36		11.53	11.44
Aug-84	11.56			
Sep-84	11.60			
Oct-84	11.68			
Nov-84	11.47			
Dec-84	11.02			
Jan-85	10.58	10.72	10.32	10.19
Feb-85	10.29			
Mar-85	10.12			
Apr-85	10.03			
May-85	10.18			
Jun-85	9.74			
Jul-85	9.66		9.54	9.50
Aug-85	9.42			
Sep-85	9.57			
Oct-85	9.48			
Nov-85	9.49			
Dec-85	9.37			

**HISTORICAL PMIA YIELDS**

(Yield In Percent Per Annum)

MONTHLY ANNUAL DATE AVERAGE AVERAGE			ALLOCATION RATE	
			LAIF QUARTERLY	SMIF SEMI-ANNUAL
Jan-86	9.25	9.08	9.09	8.70
Feb-86	9.09			
Mar-86	8.96			
Apr-86	8.62			
May-86	8.37			
Jun-86	8.23			
Jul-86	8.14		7.81	
Aug-86	7.84			
Sep-86	7.51			
Oct-86	7.59			
Nov-86	7.43			
Dec-86	7.44			
Jan-87	7.37	7.44	7.48	7.65
Feb-87	7.16			
Mar-87	7.21			
Apr-87	7.04			
May-87	7.29			
Jun-87	7.29			
Jul-87	7.46		7.21	
Aug-87	7.56			
Sep-87	7.71			
Oct-87	7.83			
Nov-87	8.12			
Dec-87	8.07			
Jan-88	8.08	7.87	7.97	7.80
Feb-88	8.05			
Mar-88	7.95			
Apr-88	7.94			
May-88	7.82			
Jun-88	7.93			
Jul-88	8.09		7.87	
Aug-88	8.25			
Sep-88	8.34			
Oct-88	8.40			
Nov-88	8.47			
Dec-88	8.56			

**HISTORICAL PMIA YIELDS**

(Yield In Percent Per Annum)

MONTHLY ANNUAL DATE AVERAGE AVERAGE			ALLOCATION RATE	
			LAIF QUARTERLY	SMIF SEMI-ANNUAL
Jan-89	8.70	8.67	8.76	8.97
Feb-89	8.77			
Mar-89	8.87			
Apr-89	8.99			
May-89	9.23			
Jun-89	9.20			
Jul-89	9.06		9.13	
Aug-89	8.83			
Sep-89	8.80			
Oct-89	8.77			
Nov-89	8.69			
Dec-89	8.65			
Jan-90	8.57	8.66	8.68	8.78
Feb-90	8.54			
Mar-90	8.51			
Apr-90	8.50			
May-90	8.53			
Jun-90	8.54			
Jul-90	8.52		8.50	
Aug-90	8.38			
Sep-90	8.33			
Oct-90	8.32			
Nov-90	8.27			
Dec-90	8.28			
Jan-91	8.16	8.01	8.27	8.34
Feb-91	8.00			
Mar-91	7.78			
Apr-91	7.67			
May-91	7.37			
Jun-91	7.17			
Jul-91	7.10		7.38	
Aug-91	7.07			
Sep-91	6.86			
Oct-91	6.72			
Nov-91	6.59			
Dec-91	6.32			

**HISTORICAL PMIA YIELDS**

(Yield In Percent Per Annum)

MONTHLY DATE      AVERAGE      ANNUAL AVERAGE			ALLOCATION RATE	
			LAIF QUARTERLY	SMIF SEMI-ANNUAL
Jan-92	6.12	6.20	5.87	5.65
Feb-92	5.86			
Mar-92	5.68			
Apr-92	5.69			
May-92	5.38			
Jun-92	5.32			
Jul-92	5.24		5.45	
Aug-92	4.96			
Sep-92	4.76			
Oct-92	4.73			
Nov-92	4.66			
Dec-92	4.65			
Jan-93	4.68	4.71	4.67	4.82
Feb-93	4.65			
Mar-93	4.62			
Apr-93	4.61			
May-93	4.43			
Jun-93	4.55			
Jul-93	4.44		4.51	
Aug-93	4.47			
Sep-93	4.43			
Oct-93	4.38			
Nov-93	4.37			
Dec-93	4.38			
Jan-94	4.36	4.39	4.36	4.39
Feb-94	4.18			
Mar-94	4.25			
Apr-94	4.33			
May-94	4.43			
Jun-94	4.62			
Jul-94	4.82		4.45	
Aug-94	4.99			
Sep-94	5.11			
Oct-94	5.24			
Nov-94	5.38			
Dec-94	5.53			

**HISTORICAL PMIA YIELDS**

(Yield In Percent Per Annum)

MONTHLY ANNUAL DATE AVERAGE AVERAGE			ALLOCATION RATE	
			LAIF QUARTERLY	SMIF SEMI-ANNUAL
Jan-95	5.61	5.53	5.76	5.87
Feb-95	5.78			
Mar-95	5.93			
Apr-95	5.96		5.98	
May-95	6.01			
Jun-95	6.00			
Jul-95	5.97		5.89	
Aug-95	5.91			
Sep-95	5.83			
Oct-95	5.78		5.76	
Nov-95	5.81			
Dec-95	5.75			
Jan-96	5.70	5.71	5.62	5.56
Feb-96	5.64			
Mar-96	5.56			
Apr-96	5.54		5.52	
May-96	5.50			
Jun-96	5.55			
Jul-96	5.59		5.57	
Aug-96	5.57			
Sep-96	5.60			
Oct-96	5.60		5.58	
Nov-96	5.60			
Dec-96	5.57			
Jan-97	5.58	5.59	5.56	5.59
Feb-97	5.58			
Mar-97	5.58			
Apr-97	5.61		5.63	
May-97	5.63			
Jun-97	5.67			
Jul-97	5.68		5.68	
Aug-97	5.69			
Sep-97	5.71			
Oct-97	5.71		5.71	
Nov-97	5.72			
Dec-97	5.74			



**HISTORICAL PMIA YIELDS**

(Yield In Percent Per Annum)

MONTHLY DATE      AVERAGE      ANNUAL AVERAGE			ALLOCATION RATE	
			LAIF QUARTERLY	SMIF SEMI-ANNUAL
Jan-98	5.74	5.70	5.70	5.67
Feb-98	5.72			
Mar-98	5.68			
Apr-98	5.67			
May-98	5.67			
Jun-98	5.67			
Jul-98	5.65		5.66	5.67
Aug-98	5.65			
Sep-98	5.64			
Oct-98	5.56			
Nov-98	5.49			
Dec-98	5.37			
Jan-99	5.26	5.34	5.46	5.55
Feb-99	5.21			
Mar-99	5.14			
Apr-99	5.12			
May-99	5.09			
Jun-99	5.09			
Jul-99	5.18		5.08	5.13
Aug-99	5.22			
Sep-99	5.27			
Oct-99	5.39			
Nov-99	5.48			
Dec-99	5.64			
Jan-00	5.76	5.71	5.49	5.34
Feb-00	5.82			
Mar-00	5.85			
Apr-00	6.01			
May-00	6.19			
Jun-00	6.35			
Jul-00	6.44		6.18	5.99
Aug-00	6.50			
Sep-00	6.50			
Oct-00	6.52			
Nov-00	6.54			
Dec-00	6.53			

**HISTORICAL PMIA YIELDS**

(Yield In Percent Per Annum)

MONTHLY DATE      AVERAGE      ANNUAL AVERAGE			ALLOCATION RATE	
			LAIF QUARTERLY	SMIF SEMI-ANNUAL
Jan-01	6.37	6.10	6.16	5.73
Feb-01	6.17			
Mar-01	5.98			
Apr-01	5.76			
May-01	5.33			
Jun-01	4.96			
Jul-01	4.63			
Aug-01	4.50			
Sep-01	4.29			
Oct-01	3.78			
Nov-01	3.53			
Dec-01	3.26			
Jan-02	3.07	3.45	3.52	3.99
Feb-02	2.97			
Mar-02	2.86			
Apr-02	2.84			
May-02	2.74			
Jun-02	2.69			
Jul-02	2.71			
Aug-02	2.59			
Sep-02	2.60			
Oct-02	2.49			
Nov-02	2.30			
Dec-02	2.20			
Jan-03	2.10	2.15	2.31	2.47
Feb-03	1.94			
Mar-03	1.90			
Apr-03	1.86			
May-03	1.77			
Jun-03	1.70			
Jul-03	1.65			
Aug-03	1.63			
Sep-03	1.64			
Oct-03	1.60			
Nov-03	1.57			
Dec-03	1.55			

**HISTORICAL PMIA YIELDS**

(Yield In Percent Per Annum)

<b>DATE</b>	<b>MONTHLY AVERAGE</b>	<b>ANNUAL AVERAGE</b>	<b>ALLOCATION RATE</b>	
			<b>LAIF QUARTERLY</b>	<b>SMIF * QUARTERLY</b>
<b>Jan-04</b>	1.53	1.53	1.47	1.47
<b>Feb-04</b>	1.44			
<b>Mar-04</b>	1.47			
<b>Apr-04</b>	1.45			
<b>May-04</b>	1.43		1.44	1.44
<b>Jun-04</b>	1.47			
<b>Jul-04</b>	1.60			
<b>Aug-04</b>	1.67			
<b>Sep-04</b>	1.77		1.67	1.67
<b>Oct-04</b>	1.89			
<b>Nov-04</b>	2.00			
<b>Dec-04</b>	2.13			
<b>Jan-05</b>	2.26	2.26	2.38	2.37
<b>Feb-05</b>	2.37			
<b>Mar-05</b>	2.54			
<b>Apr-05</b>	2.72			
<b>May-05</b>	2.86		2.85	2.85
<b>Jun-05</b>	2.97			
<b>Jul-05</b>	3.08			
<b>Aug-05</b>	3.18			
<b>Sep-05</b>	3.32		3.18	3.18
<b>Oct-05</b>	3.46			
<b>Nov-05</b>	3.64			
<b>Dec-05</b>	3.81			
<b>Jan-06</b>	3.96	3.87	4.03	4.03
<b>Feb-06</b>	4.04			
<b>Mar-06</b>	4.14			
<b>Apr-06</b>	4.31			
<b>May-06</b>	4.56		4.53	4.53
<b>Jun-06</b>	4.70			

\*Effective January 1, 2004, SMIF earnings are allocated quarterly.

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